

SENATOR MARSH: Thank you. The bill is advanced. I wish to introduce guests of Senator Lundy who are under the south balcony. They are Phil and Peggy Covalt from Alliance. Would they please stand and be recognized. Welcome to our Chamber. Senator Nichol has an announcement.

SPEAKER NICHOL: Mrs. President and members of the Legislature, you will note on your desk you have a couple of informative sheets. They are from the Nebraska Organization of Volunteer Leaders and Francis Warnholz has furnished these for us and the organization is sponsoring a volunteer fair in the rotunda of the Capitol, featuring several state agencies and their use of volunteers. And you are welcome to go out there to examine these displays. So, thank you and then you also have a button that you may wear on your lapel or on your dress today. Thank you, Madam President.

SENATOR MARSH: Thank you, Senator Nichol. We are now ready to move to LB 1254.

CLERK: LB 1254 introduced by the Appropriations Committee, Madam President. (Read title.) The bill was introduced on March 12, referred directly to General File.

SENATOR MARSH: Senator Warner.

SENATOR WARNER: Mr. President and members of the Legislature, LB 1254 repeals the sunset provision contained in Section 68-1031 to 68-1036. What those statutes permitted was the Department of Social Services to contract with health care providers for Medicaid services. Since the bill has...the authorization had not been utilized to this point in time, but there are negotiations that have been going on between Social Services and health care providers for the possibility of contracts in the future, and by repealing the sunset provision which is June 30th of 1987, it would permit the Department to continue the process of negotiating two-year contracts which would otherwise not be possible to do. It would be only for a one-year basis. Contracting for Medicaid costs was one of the things that was authorized back in 19, what, 84, for the purpose of curtailment of...or containment of rising Medicaid costs and this merely would take out the sunset and permit those negotiations to continue. There had not been a particular interest on the part of providers in this...up until this time but now for a variety of reasons there is increasing